

# RESIDENTIAL BUILDER

A PUBLICATION OF THE  
RESIDENTIAL CONSTRUCTION  
COUNCIL OF ONTARIO



FEBRUARY 2025

# TAXES & TARIFFS

*Premier Doug Ford pledges  
at RESCON AGM to tackle  
both issues.*

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## RESIDENTIAL BUILDER

Official publication of the  
Residential Construction  
Council of Ontario



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COUNCIL OF ONTARIO

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**Residential Builder**  
is published  
12 times a year  
by RESCON

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# Builder Briefs

## New Ontario Building Code in effect as of Jan. 1, 2025

RESCON is reminding members that a new Ontario Building Code is in effect as of Jan.1, with a three-month grace period until March 31, 2025, for certain designs that are already under way.

The 2024 Building Code streamlines processes for the sector and increases harmonization with the National Construction Codes by eliminating at least 1,730 technical variations between the provincial and national requirements.

The latest edition of the code was developed in consultation with building officials, fire prevention officials, architects, engineers, builders and the construction industry.

[Click here](#) for more information.



## New legislation set to come into effect on June 19

The Working for Workers Six Act, which introduces key amendments to employment standards and occupational health and safety laws in Ontario, recently received Royal Assent.

Changes come into effect June 19.

An amendment to the Employment Standards Act stipulates that an employee with at least 13 weeks of service is entitled to unpaid leave of up to 27 weeks if unable to perform their duties because of a medical condition.

An amendment to the Occupational Health and Safety Act includes a minimum fine of \$500,000 for a company found guilty of a subsequent offence under the legislation that results in the death or serious injury of one or more workers in a two-year period.

Employers are also required to ensure that personal protective clothing and equipment is a proper fit and appropriate in the



circumstances.

Labour Minister David Piccini said the government is committed to keeping Ontario's workforce safe and making sure every worker has the tools they need to succeed.

He noted that the legislation requires properly fitting personal protective equipment for women across all sectors.

The government states that the

new standard ensures:

- proper protection for all workers
- safer worksites
- support for women in the skilled trades

The amendments also mean that the Chief Prevention Officer can establish criteria to approve training programs delivered outside of Ontario for equivalency and to establish policies for training requirements under the Occupational Health and Safety Act.

The officer can use personal information to develop or report on a provincial health and safety strategy, or to provide advice on the prevention of workplace injury and occupational disease, the statement said.

Amendments in force give the labour minister authority to require that a builder establish a worker trades committee at a project and provide for the composition and procedure of the committee.



# WE MUST CUT TAXES AND STREAMLINE OUR BROKEN PLANNING SYSTEM

*Richard Lyall*  
**President**

***Even though we have an affordability crisis recognized by all, development charges have continued to grow.***

**T**he winds of housing change are blowing, with both provincial and federal elections on tap this year.

RESCON has been driving the issues of concern to builders, new buyers and renters. All Ontario party leaders now agree that more needs to be done – especially given that the target of 1.5 million homes they all agreed to is in no danger of getting hit, and housing starts are now falling.

CMHC recently reported that 74,573 housing units were started in Ontario in 2024, down nearly 15,000 from 2023. In 2024, we saw the weakest sales in new homes and condominiums since the mid-1990s.

In the GTA, new home sales in the month of December were down 46 per cent from the same month in 2023 and 80 per cent below the 10-year average.

As the Ontario election begins, we are in a rather unique position. Even though we have an affordability crisis recognized by all, development charges have continued to grow. Further, we are receiving constant calls about the glacial planning approvals processes which, in many jurisdictions, have not improved.

In Toronto, for example, where projects are supposed to be cleared in 90 days, approvals processes are taking at least 600 days to advance.

On top of this, the federal government continues to tax housing much like alcohol, without putting much back into growth-related infrastructure.

A dysfunctional and absent federal government, along with many municipalities, just don't seem to get it.

Of note, federal Conservative leader Pierre Poilievre has made solid commitments, particularly with respect to the removal of the GST on new housing under \$1 million.

At RESCON's recent annual general meeting, Premier, Doug Ford also spoke clearly and directly, with comments recognizing that more work needs to be done on housing taxes and planning approvals. He noted governments must cut more red tape, regulations and fees to help bring the dream of home ownership to more people

Ontario Liberal Leader Bonnie Crombie, meantime, recently released a housing platform which proposes the removal of development charges on middle-class housing and eliminating the land transfer taxes for first-time homebuyers, seniors downsizing and non-profit

homebuilders, along with initiatives to encourage the construction of rental housing. Eliminating these costs at these levels is long overdue.

The Ontario NDP released a plan in November, called Homes Ontario, which outlines a number of initiatives to kick-start residential home construction across Ontario. Some of the approaches are lacking detail, but the overall recognition that things aren't working is clearly part of the party's thinking.

While there are differences in approach, the underlying message that all three major parties are confirming by their proposals, particularly with respect to the present fees and planning processes that are entrenched in municipalities across Ontario, is that they simply aren't working.

As new housing supply continues to dwindle, with predictable economic consequences (already being felt), 2025 must be the year when the market is freed up to work more efficiently by removing the egregious and regressive excess taxation of new housing – and streamlining once and for all, a broken planning system.

And if all this wasn't enough of a challenge, the U.S. is imposing tariffs Tuesday, which removes any question about whether there will be a recession – and no doubt will boost Premier Ford's already positive electoral chances.





# WITH WINTER IN FULL SWING, WE MUST GUARD AGAINST COMPLACENCY

**Andrew Pariser**  
**Vice President**

## **Constructors and employers have extensive obligations under the Occupational Health and Safety Act.**

**W**e are two solid months into winter and we may have another two months to go. While all companies focused on becoming winter ready in the fall of 2024, I'm here to remind you that staying winter ready doesn't happen on its own.

Here is your reminder to get on site, hold a toolbox talk, and fight complacency.

### **Complacency**

A major hazard that many safety-leading companies face is complacency and like all other hazards it requires planning, implementation and a continuous improvement model to address.

Two months into the winter (longer the further north you go) are you checking in with your workers, ensuring adequate amounts of salt are available, and monitoring that snow-removal plans are being executed before ice buildup occurs? These are just some of the complacency issues we must address to ensure on-site hazards are either eliminated or mitigated before an incident occurs.

### **Existing resources**

My favourite safety resources include the Infrastructure Health and Safety Association (IHSA) and Ministry of Labour, Immigration, Training and Skills Development (MLITSD) webpages.

The IHSA is an excellent resource for practical and implementable tools including, but not limited to, toolbox talks, hazard alerts and other safety resources.

[Here](#), the IHSA has a toolbox talk outline that highlights common winter hazards including cold stress, frostbite, slips and trips, and carbon monoxide (CO). These hazards are predictable and need to be addressed before the snow falls and temperatures dip. Solutions include safety policies, education and the elimination or mitigation of the on-site hazard.

For example, all employers and constructors should have policies and procedures related to winter, winter weather and work surfaces. Some questions that need to be answered include:

- How are you and your workers going to ensure winter heat is provided?
- Will the heat source create a hazard? (CO for example)
- If a hazard is created, how can it be eliminated or mitigated?

- How is this policy going to be communicated to the workforce?
- How will propane training and other winter health and safety training be delivered?
- How are you checking for qualifications, certificates and tickets?
- Have toolbox talks been held?
- Has the importance of a debris-free site and impacts of snow, ice and construction debris been considered?

The MLITSD [website](#) provides additional resources for implementation as well as information on hazards, MLITSD policies, legislation, regulations and areas of focus. In order to comply, employers must first know what their obligations are.

### **Mental health**

Winter safety is not just limited to physical health but also includes mental health. Blue Monday is on the third Monday in January and is described as the most depressing day of the year due to limited hours of daylight (Seasonal Affective Disorder), potential financial issues related to holiday spending, and a lull in social events after the December rush. This is a further reminder to check in on your people and make sure that your mental health programs are in full swing.

### **Where to go from here**

The first step is to identify the hazards that impact your site. Once they are identified you can work to eliminate or mitigate those hazards relying on policy, education, training, implementation and enforcement.

If you are a RESCON member, give us a call. In addition to the resources shared above, RESCON has a very active health and safety committee, and collection of resources designed to meet the members where they are and give them additional resources to meet the challenges they face.

Constructors and employers have extensive obligations under the Occupational Health and Safety Act and RESCON is here to help you understand those requirements and comply.

We can also offer practical implementation tips and ensure you are kept up to date with industry-leading best practices as well as updates from the government and our other safety partners.



# MISSISSAUGA REPORT HIGHLIGHTS ACTION TO GET MORE HOMES BUILT

**Paul De Berardis**  
**VP, Building Standards & Engineering**

Soon after taking office, Mississauga Mayor Carolyn Parrish, assembled a group of experts from Ontario's top developers and builders in the private and not-for-profit housing sectors to work with Mississauga staff. The goal was clear: housing development has stalled and not enough new homes are being built. Acknowledging Mississauga bears some responsibility for this crisis, they also have a role to play in solving it. Mayor Parrish was blunt. Municipal processes often made building new housing in Mississauga difficult, therefore more expensive, as time is money.

Tackling the barriers to building more housing required bringing together those who build housing and those who approve it. In January 2025, the City of Mississauga released a refreshing and excellent report, titled [Partners in Homebuilding: Mayor's Housing Task Force Report](#). It highlighted actionable recommendations that the municipality can implement to speed up development and get more homes built.

The task force outlined impediments and brought forth ideas for how to revive development in today's challenging market and get it built more quickly and affordably by streamlining processes. The report included four key priority areas, including: 1) cutting development costs; 2) updating building regulations to help boost supply; 3) reforming zoning; and 4) creating viable housing program funding. Some of the recommendations stood out to me and I wanted to highlight certain findings so that other Ontario municipal jurisdictions can learn from what Mississauga is trying to do.

1. Reform development charges, taxes and fees to help lower housing costs. Ninety-five per cent of new homes in Canada are built by the private sector which relies on investment capital to move forward. If a developer can't guarantee the required return on investment, the project will not receive financing and can not move forward. The market has reached a point where the sales prices needed for project viability are higher than what most purchasers are able to afford, so housing starts have tumbled. The cumulative effect of taxes and fees for all levels of government is having a detrimental effect on the feasibility of development. Reforming government taxes and fees can help make projects viable for developers, affordable for homeowners and help get new housing built. Beyond the municipal level, other levels of government, including regional, provincial and federal, should also undertake a larger review of housing tax and fee policy.

2. Update building and design standards to help boost supply and make building more affordable. Updating

or scoping building bylaws and design standards can help reduce costs without sacrificing safe building practices or the development of livable communities. While it is understood that Mississauga is committed to achieving good urban design, conditions change over time and regulations and guidelines must be reviewed or standardized to reflect current priorities. Some urban design requirements add costs, reduce the number of housing units or make a project unfeasible altogether. Examples include step-back requirements, angular planes and maximum floor plate restrictions (i.e., 750 sq. m.). Urban design guidelines should be exactly that, a set of guidelines which are not interpreted by municipalities as inflexible requirements that ultimately limit housing innovation and design flexibility. Building Code standardization is another recommendation to be addressed. Lack of standardization in municipal building requirements adds complexity to project planning and increases costs. Restrictive guidelines that make projects unfeasible and offer limited community benefits must be reviewed, removed or relaxed with an eye to boosting supply. Amid a housing crisis, the aim of guidelines and standards must be to help, not hinder the delivery of new housing. The report identifies ways the provincial and federal governments can standardize building codes to eliminate the current patchwork of regulations. This recommendation to standardize building codes across Canada is in line with the Reconciliation Agreement on Construction Codes, allowing builders, designers, manufacturers and trades to have consistent design and construction practices across jurisdictions.

3. Transform zoning to unlock more housing. Zoning reform could provide certainty for developers and help streamline the development application process. Increasing as-of-right zoning in growth areas can avoid the need for lengthy rezoning applications. The Zoning Bylaw should be streamlined with an eye to remove or relax regulations that lead to time-consuming and costly delays.

3. Create viable programs and funding that will enable industry to help meet the demand for affordable housing.

The report recommendations lay out the groundwork that Mississauga must now work to implement. Mississauga joins other municipalities such as Vaughan and Burlington that are also lowering development charges to spur new housing construction. The hope is that this work can act as a blueprint for other Ontario municipalities, as housing affordability has become a systemic issue.



# TAXES AND TARIFFS ARE HIGH ON RESCON'S RADAR

**Grant Cameron**  
*Senior Director of Public Affairs*

***The escalating tax burden on new homes is pushing prices beyond the reach of most Canadians.***

The out-of-control tax burden on new housing, our legal challenge against Toronto's green building standards, and the very significant issue of tariffs being suddenly imposed on Canadian goods imported into the U.S. were major issues on RESCON's radar in January.

At our Jan. 23 annual general meeting, Premier Doug Ford spoke about the housing supply crisis, taxes, fees and levies on new homes, and the Trump tariffs.

He outlined what the government is doing to tackle the housing issue and indicated that he will stand "shoulder to shoulder" with the rest of Team Canada on the tariff issue.

Ford said steps have been taken to advance more housing construction, such as removing the HST on purpose-built rentals, building density next to transit hubs, investing in housing-enabling infrastructure and updating the building code.

However, he said there is still work to be done, such as cutting red tape and regulations, along with reducing the tax burden on new housing.

[Click here](#) to read his comments.

Meanwhile, we issued a [press release](#) in support of Premier Ford's decision to seek a new mandate from voters Feb. 27 as the province must have the strongest and most effective leader in place to deal with a new aggressive U.S. administration, tariffs and housing supply crisis.

## **Tariffs**

We issued a [press release](#) on Trump's decision to impose tariffs on Canadian products, noting the move is unjustified and will have a detrimental effect on the homebuilding industry on both sides of the border.

## **Tax burden**

In The Toronto Sun, RESCON president Richard Lyall argued in a [column](#) that 2025 is a make-or-break year for the residential construction industry and why it is critical to address the problems that have stymied housing – namely taxes, fees and levies, slow approvals processes and excessive red tape.

In Daily Commercial News, a [column](#) explained how housing starts over the next few years are expected to weaken and why the tax burden on new homes must be reduced.

In [Canadian Real Estate Wealth](#), we explained how the escalating tax burden on new homes is pushing prices beyond the reach of most Canadians and in [On-Site](#) we explained how the out-of-control tax burden has contributed to a decline in the condo construction market.

In Storeys, a [column](#) called for the immediate reform of taxation and fee structures in order to get the housing market back on track. We also ran a [column](#) in Canadian Real Estate that showed how taxes and slow approvals are adding to the cost of housing.

In Canadian Contractor, Lyall wrote a [column](#) which indicated that a report done for RESCON revealed that the average tax burden on a newly constructed home in Ontario has jumped to a whopping 36 per cent of the purchase price – up from 31 per cent three years ago. He also was on a podcast where he explained what needs to be done to fix the housing crisis. [Click here](#) to listen.

Lyall also explained in an [interview](#) with CBC Radio Ontario Morning host Nav Nanwa that we have to get more disciplined and efficient on how we process residential construction approvals and lower taxation on new housing.

## **Green standards**

In an [article](#) in Daily Commercial News, we explained RESCON's decision to file an application in the Ontario Superior Court of Justice, challenging the authority of the City of Toronto and its green standards.

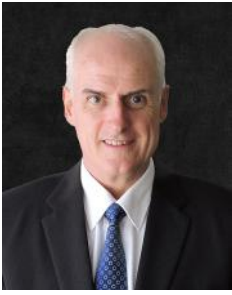
The Toronto Star ran an [article](#) on the legal challenge against Toronto's green building standards in which we noted that builders are not anti-green; they just maintain that the city doesn't have jurisdiction to set its own requirements for new construction above and beyond what is already in the building code.

## **Energy efficiency**

RESCON noted its support for a provincial investment of \$10.9 billion over 12 years in energy efficiency programs announced by Energy and Electrification Minister Stephen Lecce.

"For contractors and homeowners alike, these programs will help drive the energy-efficient home renovation market, creating new opportunities and boosting productivity across Ontario's construction sector," Lyall stated in an [article](#) in Ontario Construction News.





# WE ARE CERTAINLY LIVING IN INTERESTING TIMES

*Michael Giles*  
*Director of Government Relations*

*The planet is in for a period of instability and unpredictable actions emanating from the world's most influential economy.*

For many Canadians, politics is an issue they would periodically follow. Their interest would sometimes peak when something major happened or during election campaigns or some actions good or bad involving a specific politician.

However, there is little arguing that we have entered a time of political upheaval and intensity not seen in generations.

Of course, much has been precipitated by the election of President Donald Trump to a second term in the White House. Trump's public ramblings, including with respect to tariffs on Canada, have rippled across the political landscape of the world.

Beyond all sorts of threats of tariffs on multiple countries, significant comments about potential political and military actions have sent shockwaves through the established order all over the planet.

Since the end of the Second World War, a predictable order in international affairs has more or less created some semblance of stability in the post-war world. Trump is undermining this stability and it's affecting everything.

Threats to take control of Greenland, stated intentions to retake possession of the Panama Canal by any means, undermining NATO, mass deportations, wholesale firings of senior federal bureaucrats who have opposed him and a host of other policies have created instability and uncertainty.

There are some very real world implications to these actions.

Here in Canada, the relatively predictable trajectory of our economy, stable international relations and relative political calm have been sent into turmoil by Trump's musings.

In Ontario, we are in the midst of an early election called in order to provide Premier Doug Ford with a renewed mandate to undertake all kinds of measures to insulate the provincial economy from any actions being planned by Trump.

It's hard to envision just a short time ago that Ontarians would be asked to provide a mandate to the province's government to take on the president of the United States. However, this is what is happening.

Premier Ford is not the only provincial leader reacting to Trump's threats. Others across the country have taken

a stand as well.

Unfortunately, at exactly the most inopportune time, our federal government is essentially AWOL as the governing Liberals wrestle with a leadership race to replace Prime Minister Justin Trudeau. This will undoubtedly be followed by a general election, regardless of who wins the leadership.

It is uncertain how far Trump will actually go in terms of all his ramblings, but regardless of what transpires, the planet is in for a period of instability and unpredictable actions emanating from the world's most influential economy.

Many years ago, a new orthodoxy evolved in the world of politics and economics.

The evolution of this academic thinking emerged as the study of "political economy."

The reasoning being that in the contemporary world, it was neither advisable nor practical to separate politics from economics.

Each simply impacted the other too much not to be aligned.

For those who took little interest in the academic arguments about this alignment of areas of study, it's no longer the realm of professors and students; we are now actually living this reality.

What does all of this mean for our everyday lives? Unfortunately, quite a bit. It seems undeniable that political decisions, particularly in Washington, will now have a more enduring and significant impact on our cost of living, our political and economic stability, our national security and a host of other issues.

We are living during an unprecedented period in world history.

Whether interpreted as a curse or a blessing, the English adage (originally credited to Chinese philosophers) undoubtedly applies – "May you live in interesting times."

**“ Political decisions, particularly in Washington, will now have a more enduring and significant impact on our cost of living. ”**

# TRUMP TARIFFS WILL AFFECT HOMEBUILDERS



## ***The move is reckless and will cause economic hardship***

**F**eb. 2, 2025, Vaughan, Ont. – The Residential Construction Council of Ontario (RESCON) is condemning the Trump administration’s decision to impose tariffs on Canadian products as the move is unjustified and will have a detrimental effect on the homebuilding industry on both sides of the border.

“Ontario’s residential construction industry, like many others across the country, are bracing for the impact of the tariffs,” says RESCON president Richard Lyall. “The residential construction industry is already challenged. The move is reckless and will cause economic hardship in both the U.S. and Canada, affecting tens of billions of dollars of trade in construction materials alone. Such levies will only increase costs and lead to a further slowdown in residential construction activity which will exacerbate an already dire housing affordability crisis.”

The present situation is a much more significant event than the tariffs that were imposed by the previous Trump administration in March 2018 on certain imports of steel and aluminum from Canada. Canada responded by imposing countermeasures against \$16.6 billion of steel aluminum and other products from the U.S. Both countries lifted their tariffs in May 2019.

“No one will benefit from an arbitrary increase in material and product prices. Our countries and supply chains are intertwined and dependent on each other, so nobody wins in a tariff war,” says Lyall. “Homebuilding industries on both sides of the border will be negatively affected. Our industry relies heavily on imported materials from the U.S. A tariff war only makes imports more expensive and will add to the cost of building a home. Likewise, Americans will suffer as U.S. homebuilders rely on Canada to fully meet their lumber needs.”

Canada and Mexico account for nearly 25 per cent of building materials imported into the U.S. Roughly 30 per cent of the lumber used in the U.S. is imported and more than 85 per cent of the imports come from Canada, according to the National Association of Home Builders.

**“ The tariffs being imposed by the Trump administration are simply a bad idea and will only cause chaos and higher prices. ”**

Canada is also the largest foreign supplier of steel and a major supplier of aluminum to the U.S., both of which are essential for residential construction. Meanwhile, the U.S. also imports other materials from Canada such as cement, cement products and gypsum used for drywall.

Builders in Canada will likely look to alternative sources, such as domestic Canadian producers or suppliers from other countries, but the disruption – along with increased costs – could lead to delayed or canceled projects or slowdowns in new home construction as supply chains adjust. Such a scenario could exacerbate existing housing shortages and drive-up prices.

Conservative think-tanks are critical of the U.S. move as American companies will simply raise their prices and pass the cost on to consumers. The budget lab at Yale has estimated that tariffs would raise prices in the U.S. and cost families between \$1,900 and \$7,600 a year.

RESCON is part of the Canada United States Trade Council, a broad-based industry coalition that will be providing governments guidance on trade issues facing Canada. Breaking the free trade agreement to force Canadian operations to move to the U.S. is reprehensible.

“The tariffs being imposed by the Trump administration are simply a bad idea and will only cause chaos and higher prices,” adds Lyall.

“The U.S. action is a high-risk gamble to increase U.S. revenues to offset tax cuts and deflect from other actions being taken by the Trump administration that are unrelated to Canada or Mexico. Using tariffs as a hammer will only backfire.”

# RESCON SUPPORTS DECISION MADE BY FORD



**J**an. 26, 2025, Vaughan, Ont. – The Residential Construction Council of Ontario (RESCON) supports the decision by Premier Doug Ford to seek a new mandate from voters Feb. 27 as the province must have the strongest and most effective leader in place to deal with a new aggressive U.S. administration, tariffs and persistent housing supply crisis.

“The proposal announced by President Donald Trump to impose a 25-per-cent tariff on Canadian exports to the U.S. and the dire state of housing supply in our province are both serious issues that threaten to undermine the economic health of Ontario and they need strong leadership in place to address them,” says RESCON president Richard Lyall.

“At such a crucial moment in the history of Ontario and Canada, our provincial leader must have the support and authority from the people to stand up and fight the tariff threat as well as address municipal and federal barriers to new housing getting approved and built.”

Premier Ford spoke about both issues last week at RESCON’s annual general meeting. He noted the U.S. relies on Canadian energy and oil, minerals and potash, and that – instead of tariffs which would result in the loss of hundreds of thousands of jobs – it would be better for the two countries to work together. However, he has said he will not hesitate to reciprocate with our own tariffs and that he will stand “shoulder to shoulder” with the rest of Team Canada and use every tool in the toolbox if Trump proceeds with his threats.

On housing, Premier Ford told the meeting that steps have been taken to advance more housing construction, such as removing the HST on purpose-built rentals, building density next to transit hubs, investing in housing-enabling infrastructure and updating the building code. However, he said there is still work to be done, such as cutting red tape and regulations, along with reducing the tax burden on new housing. He pledged to help homebuilders to make homes more affordable for consumers.

A report completed for RESCON revealed that 36

per cent of the cost of a new home is due to taxes, fees and levies. That’s up substantially from 31 per cent just three years ago. With the average price of a home at \$1,070,000, consumers are now paying nearly \$381,000 in taxes and fees. Escalation of development charges was deemed a main factor. The cities of Burlington and Vaughan have lowered their development charges and RESCON is calling on other municipalities in Ontario to follow suit. But if they don’t, provincial action will be required.

A coalition of industry stakeholders and associations which includes RESCON is calling for a 75-per-cent decrease in development charges, which would reduce them to the more reasonable level they were at in 2015. New home buyers and renters have watched the taxes they pay – such as development charges on new housing – increase more than 1,000 per cent in just over a decade. And moribund approvals and time wasted continue to block projects from proceeding. In Toronto, where projects are supposed to be cleared in 90 days, approvals processes are taking at least 600 days to advance. First-time buyers and renters now unfairly foot massive bills from unnecessary bureaucratic delays that their parents never faced a generation ago.

At the federal level, the Conservatives have promised to cut the sales tax on new housing under \$1 million if they form the next government, which will reduce the cost of an \$800,000 home by \$40,000. However, none of the other federal political parties have weighed in on plans to address the issue. In fact, their answer has been to raise capital gains taxes and create a housing accelerator fund which hasn’t worked.

“In light of the impending threats that we face from both tariffs and runaway taxation that is killing new residential construction, we need a dedicated leader that will fight for Canada and Ontario,” adds Lyall.

“The leader of our province must have a strong mandate to deal with these issues. Premier Doug Ford is a proven leader with a solid team and the right stuff in these unprecedented times.”

# TAXES & TARIFFS

***Premier Doug Ford pledges at RESCON AGM to tackle both issues while being prepared to stand shoulder to shoulder with the rest of Team Canada to fight back.***

By Grant Cameron

Ontario's dire housing supply crisis, out-of-control taxes, fees and levies on new homes, and President Donald Trump's threat of hefty tariffs being imposed on Canadian goods imported into the U.S. were key themes highlighted in remarks by Premier Doug Ford at RESCON's 2025 annual general meeting.

The biggest burden to new housing is the fees associated with building, he told the Jan. 23 event, so the government has focused on taking "bold action" to get more shovels in the ground.

"We've cut costs and red tape while reducing municipal fees and removed the HST off purpose-built rentals. We're planning for density right next to transit and that's common sense."

Ford noted that Ontario is investing more than \$3 billion in housing-enabling infrastructure to

help municipalities get infrastructure projects under way that will help to build more homes.

"This includes housing-enabling water systems to help local governments develop, repair and rehabilitate and expand local water infrastructure systems. That's important to new homes being built."

Last summer, for example, the province announced the investments of over \$970 million via the Housing-Enabling Water Systems Fund to help build more than 500,000 homes across 60 municipalities while Infrastructure Minister Kinga Surma announced the first stream of the \$1-billion Municipal Housing Infrastructure Program to help municipalities repair roads and bridges.

Ontario also continues to hand out millions of dollars from the \$1.2 billion Building Faster Fund, he said, which is rewarding municipalities that are getting it done and building more homes.





**“ We’ve cut costs and red tape while reducing municipal fees and removed the HST off purpose-built rentals. We’re planning for density right next to transit and that’s common sense.**



The new Provincial Planning Statement introduced last fall is cutting red tape and will save municipal staff time that can be better spent on other files, he said, while the building code has been updated to allow for more use of mass timber and support standardized housing designs.

“We’re using every tool in our toolbox to kick-start construction and expand our housing supply.”

On tariffs, the premier noted there is a lot of uncertainty around the Trump administration’s pledge to impose a 25-per-cent tariff on Canadian goods.

“Such a tariff would impact every single industry, potentially resulting in the loss of hundreds of thousands of jobs and seriously destabilize the economy.”

Ford said he’s in daily contact with U.S. politicians and company CEOs and none of them have ever indicated Canada is a problem.

*Continued on next page*

“China is the problem, shipping cheap parts into Mexico, slapping a made-in-Mexico sticker on them and costing American and Canadian jobs; that’s the problem.”

Ford said he’s taking a different approach from the president and is promoting the AM-CAN fortress.

“Let’s make our two countries the strongest, richest, wealthiest, safest, most prosperous countries in the entire world.”

While Trump maintains the U.S. doesn’t need Canada, 60 per cent of American energy gets imported from Canada, said Ford, and 80 per cent of potash that goes to their farmers comes from Canada.

“Yet, President Trump wants to attack the agricultural sector. In one switch we could decimate their agricultural sector.”

Ford said that Canada’s energy keeps the lights on in 1.5 million homes in Michigan, New York and Minnesota while Ontario also has critical minerals like nickel, and aluminum from Quebec gets shipped down to U.S. where it is made into cans and other items and gets shipped back.

“I’m not too sure where President Trump is going with this. He’s unpredictable.”

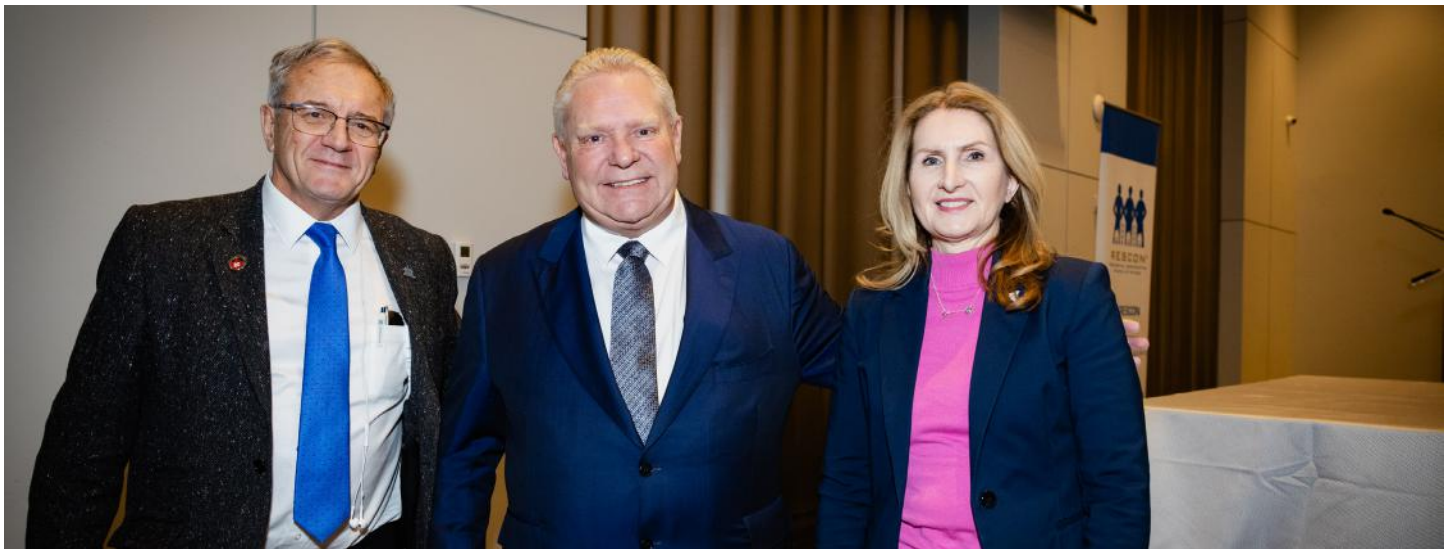
If tariffs are imposed, Ford said he will stand “shoulder to shoulder” with the rest of Team Canada to fight back.

“It shouldn’t have to come to this, and I hope it doesn’t, but I can guarantee you he’s coming. I’ve been saying that for months.

“As premier of Ontario I will always fight for the people of this province and I will do everything in my power to look out for Ontario and for Canada. We need to work together.”

Other speakers at the AGM included Mike Moffatt of the Smart Prosperity Institute, Vaughan Mayor Steven Del Duca, John Capobianco, senior vice president and senior partner, national practice lead for public affairs at FleishmanHillard Highroad, and RESCON president Richard Lyall.





## ANNUAL GENERAL MEETING

# PREMIER ADDRESSES RESCON MEETING

By Patrick Flannery  
Canadian Contractor  
Jan. 28, 2025

Ontario premier Doug Ford spoke at the Annual General Meeting of the Residential Construction Council of Ontario (RESCO) on Jan. 23, delivering a blunt assessment of the barriers preventing Ontario from meeting its housing construction goals.

"At the municipalities, we have bureaucrats across the province and some really tough numbers," he fumed.

"No matter what you want to build, they won't let you build a garage, they won't let you build a doghouse without taking five years to go through it. I call it the carousel. You go on the carousel, you go to city hall, you put in your application, they move it around and it comes off for comments. Then, guess what? We're back on the carousel again for more comments."

Ford cited the need to cut red tape, regulations and fees: "Cut to the chase, get the permit done and move forward."

He said housing demand has outstripped supply for "too long" and acknowledged young families and newcomers are locked out of the market.

Ford pointed to "bold action" by his government to address the crisis, including setting ambitious targets for city growth, cutting red tape, reducing municipal fees and removing HST on purpose-built rental projects. Queen's Park is spending over \$3 billion on water, road and bridge improvements that he claims will enable the construction of 660,000 new homes.

Ford said American state governors are astonished when he tells them the province has to pay municipalities to "do what they need to do."

Outside of a few mayors, Ford claimed, the reaction to the shortage has been to agree they need more homes and more affordable homes but to not want them built in their area.

Ford went on an extended riff about the federal Species At Risk act, saying "they have to peel me off the ceiling" when he hears about it.

He said he's heard stories of projects halted not because they

found snakes in an area but because it looked like an area where there might be snakes.

"We're holding up the 413 because a woodpecker has one tree," Ford related.

"Last time I checked, a woodpecker can fly from one tree to another."

Protection for grasshoppers and illuminated turtle tunnels also attracted his ire until he finally had to apologize to his teleprompter operator and get back on text.

The premier gestured to plans to introduce a single province-wide planning policy statement replacing the individual ones municipalities have now, eliminating, he said, 100 pages of regulation and 6,600 hours per year of municipal staff time. He cited building code revisions allowing mass timber construction and standardized designs. "We're using every tool in our toolbox," Ford said.

Ford pivoted to the top-of-mind issue of tariffs, promising to always stand up for Ontario. "I've never heard one American say Canada is the problem," he reported. "I'll tell you what the problem is. China has no problem shipping cheap parts into Mexico, slapping native Mexican







**“ We’re holding up the 413 because a woodpecker has one tree. Last time I checked, a woodpecker can fly from one tree to another.**

stickers on them and costing American and Canadian jobs.”

He outlined his plan to focus Trump’s mind on this threat, saying “Why not build the North America fortress? Let’s make our two countries the strongest, the richest, wealthiest, safest and most prosperous countries in the entire world.”

But Ford didn’t neglect to show a stick, as well.

“Trump says ‘we don’t need Canada.’ That’s nonsense. Sixty percent of their energy gets imported from Canada, no matter if it’s 4.3 million barrels of oil we ship down there from Alberta or 450,000 barrels coming from Saskatchewan. Or the uranium from Saskatchewan that gets transferred over the border and down to the U.S. to get enriched. They have no choice. Everyone wants our uranium.

“But what do you want us to do? We want to sell it to our closest allies and friends. Or potash. President Trump wants to attack our agricultural sector. In one switch we could decimate their agricultural sector because (losing) 87 percent of the potash that that goes to the U.S. would devastate their farming.”

He went on to mention nickel, aluminum and electricity, and suggested that the only other source for much of the critical resources American needs are Russia and China.

Then Ford pivoted to the damage Canada could do with retaliatory tariffs. “Nine million Americans wake up every morning to produce products for Ontario alone, just Ontario,” he said. “We’re the number one trading partner in 17 states, number two in 11 others. Across the country, the \$1.3 trillion as the number one export destination in the world is Canada.”

Ford admitted the U.S. can hurt us worse than we hurt them and cited the potential need for public relief. “If we’re going to be out there spending tens of millions of dollars as we did in the pandemic to protect people, to protect businesses and to protect communities, I don’t get a mandate from other politicians. It doesn’t work that way. You get a mandate from the people wanting to move forward and support the growth we’ve seen in the last year.”

So Ford, who has signalled he will call an early election this week, is using the threat of Trump tariffs as

his justification.

The premier set out some elements of what will likely be his campaign platform. “The worst thing you can do is tax businesses,” he said. Businesses left with money will reinvest it creating more jobs and growth that generates more tax revenue for the government.

Ford said when he took office, the Ontario budget was \$150 billion and is now \$214 billion without raising taxes. “We created the climate and the conditions for companies to come and the best manufacturers created more jobs than all 50 U.S. states combined. That’s maybe what got Trump ticked off,” he quipped. Ford claimed there is another \$70 billion in foreign investment “potentially” coming to Ontario.

Ford pledged to spend the windfall from all this growth at least in part on healthcare. “We’re spending unprecedented amounts of money, close to \$200 billion a year, building hospitals for the first time,” he said. “At 50 sites around the province, you are either getting a new hospital or an addition to the hospital. Never stop investing into infrastructure and investing into people.”

# HOUSING DESIGN CATALOGUE



***One Ontario can support the initiative by helping to identify viable sites.***

*By Mark Anderson  
Director of Business Development  
AECO Innovation Lab*

Recently, I had the opportunity to speak with a senior economist at the Canada Mortgage and Housing Corporation (CMHC) and learned about the agency's Housing Design Catalogue initiative.

As part of the National Housing Strategy, the effort is aligned with CMHC's broader mission to increase housing affordability and supply across Canada.

The initiative aims to introduce scalable housing prototypes that address critical barriers in the development process, such as high costs, lengthy timelines and regulatory complexity.

The catalogue's emphasis on standardization and collaboration closely aligns with the work we've been doing at One Ontario.

A lack of standardization remains one of the largest roadblocks to scaling housing development, as developers are faced with fragmented data and inconsistent regulations across jurisdictions.

One Ontario's mission to streamline processes and harmonize data is essential to addressing these challenges.

As a result, this CMHC work is of particular interest to One Ontario.

## **What Is the Housing Design Catalogue?**

The Housing Design Catalogue is a CMHC-led initiative designed to create a library of pre-approved housing designs. With approximately 50 templates expected, these designs will be accessible to municipalities and developers as ready-to-use solutions.

The goal is to reduce the time and cost associated with planning and approvals, allowing housing projects to move forward more efficiently.

By streamlining the design phase, CMHC hopes to remove some of the barriers that currently stall housing development, paving the way for faster and more affordable construction.

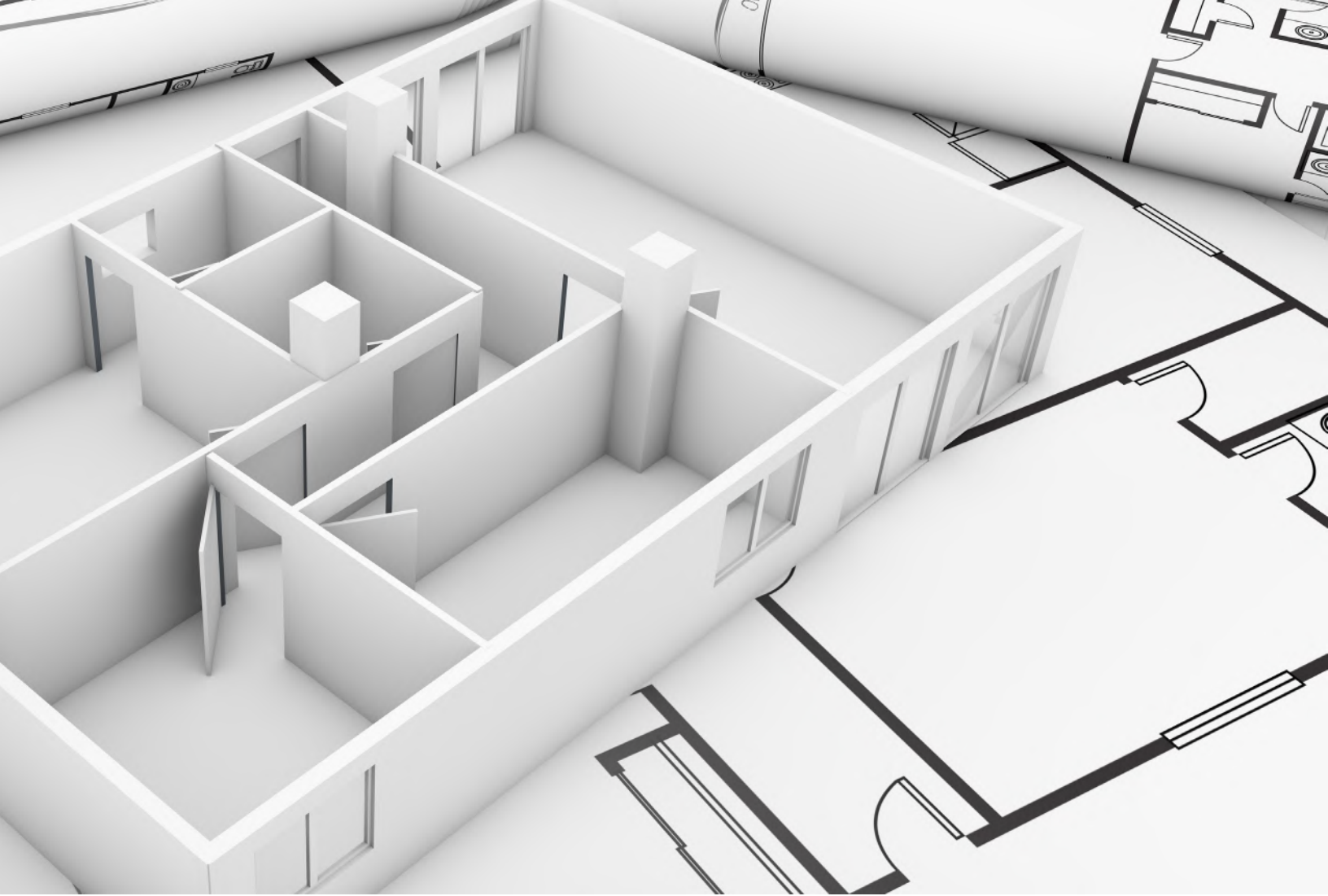
## **The role of data in making the catalogue a success**

While pre-approved designs are an exciting innovation, their effectiveness depends on identifying suitable development sites and ensuring that projects align with zoning and infrastructure requirements.

This is where I think One Ontario's efforts align closely with the catalogue's goals.

One Ontario was established to address one of the biggest barriers in housing development: fragmented, inaccessible data.

Whether it's navigating planning regulations,



infrastructure constraints, or ensuring jurisdictional clarity about a property, the lack of a centralized, harmonized dataset creates unnecessary delays and costs for developers and municipalities alike.

Powered by the LandLogic platform, we're working to streamline these processes. The platform's Data Fusion Engine integrates zoning, environmental, and property-level data from multiple jurisdictions into a single, accessible system. This allows developers and municipalities to identify underutilized land, assess risks, and understand infrastructure requirements – all in real time.

By providing this foundational data, One Ontario can support initiatives like the Housing Design Catalogue by helping to identify viable sites.

The alignment between CMHC's Housing Design Catalogue and One Ontario lies in a shared vision: reducing barriers to housing development and creating a more efficient, inclusive housing market. Both initiatives focus on practical, data-driven solutions that address systemic challenges.

While we are not formally working with CMHC at this time, we see potential synergies in how our tools can complement their efforts.

For example, LandLogic could be used to identify ideal sites for the catalogued designs, helping developers and municipalities move through the approval process more

quickly and efficiently.

The combination of pre-approved designs and streamlined site selection has the potential to accelerate housing development and bring much-needed homes to market faster.

Ontario and Canada as a whole face significant housing challenges, but innovative solutions offer a path forward.

By integrating data, design and collaboration, I think there is a great opportunity to enhance efficiency, lower costs, and deliver more affordable housing solutions that benefit everyone.

As CMHC continues to develop its Housing Design Catalogue, we're excited to see how the initiative evolves and explore how it might align with the work we're doing at One Ontario. While we aren't formally partnered, our shared goals – streamlining processes, reducing barriers and accelerating housing development – create exciting opportunities for future collaboration.

[Click here](#) to learn more about the Housing Design Catalog. [Click here](#) to discover how One Ontario, powered by LandLogic, can assist with site selection and streamline development approvals.

We invite developers, municipalities, and policymakers to join the conversation and explore how One Ontario's tools can help address the challenges facing Canada's housing market.

# SITUATION IS UNTENABLE

*Major reasons for the slowdown are hefty taxes, fees and levies - particularly development charges.*

*By Richard Lyall  
for Canadian Contractor  
Jan. 22, 2025*

**2**024 was a particularly challenging year for the residential construction industry. By all accounts, this year doesn't look any better. We are in for tough times.

In Ontario, the government set an ambitious goal to build at least 1.5 million homes by 2031, requiring 150,000 new homes annually. But we are nowhere near that figure due to the cost of building.

In 2023, the province reported only 110,584 new homes were started. And that figure included homes and condos, as well as long-term care beds, and additional residential units.

We are headed in the wrong direction. Sales are languishing at historically low levels. In October in the GTA, new home sales fell 77 per cent and condo sales dropped 91 per cent below the 10-year average.

Major reasons for the slowdown are the hefty taxes, fees and levies – particularly development charges – and other add-ons like new green standards which add to the cost of new housing and make it unaffordable for the average working individual or family to own a home.

Recently, a report done for RESCON by the Canadian Centre for Economic Analysis revealed that the average tax burden on a newly constructed home in Ontario has jumped to a whopping 36 per cent of the purchase price.





**“ The tax and fee burden on new homes continues to be more than twice that of the rest of the economy. It is significantly higher because of the surge in development charges.**

That's up substantially from 31 per cent three years ago.

The average price of a home is about \$1,070,000 so that means consumers are now paying nearly \$381,000 in income taxes, corporate, sales and transfer taxes, and development charges and fees. The new number is a 16-per-cent increase over 2021 and highlights a troubling trend.

The research showed that the tax and fee burden on new homes continues to be more than twice that of the rest of the economy. It is significantly higher because of the surge in development charges.

Worse, the present system disproportionately affects first-time buyers and lower-income households. For homes priced at \$450,000, the average tax burden rises sharply to 45.2 per cent.

These are excessive amounts. The taxes are out of control and pushing the cost of new housing well beyond what they should be. By significantly raising the price tag of a new home, the tax burden is directly contributing to the housing crisis. Developers can not invest in new housing projects because the excessive cost presents extreme challenges for the average family.

The situation is untenable and can't be allowed to continue.

The excessive cost of housing is one of the reasons that Prime Minister Justin Trudeau has been forced to resign. On a bright note, the federal Conservatives have promised to cut sales taxes on new housing under \$1 million. So, there is some promise on that front.

It is time for bold action. Compared to the U.S., our incomes have been eroded almost by half yet housing costs have doubled.

The other issue, of course, is the messianic pursuit of net-zero housing and haphazard imposition of green building standards by individual municipalities. This is another added cost to housing.

We have a building code that regulates such standards, and is based on research, building science, consultation and cost-benefit analysis. Yet, many municipalities are imposing their own standards.

Inconsistency between municipalities when it comes to green building standards only leads to confusion, slower approvals and increased costs. This is not the time to be messing with the system.

RESCON has filed a legal application against the City of Toronto over the escalation of the Toronto Green Standard performance measures. We want a mandatory order that would enforce the Building Code Act and prevent the city from imposing building regulations on planning applications as the manner of construction and construction standards are not subject to site plan control.

RESCON didn't want to go this route but had no choice. Nearly 30 municipalities have jumped on the bandwagon and imposed their own standards in recent years. With these actions, municipalities like Toronto are only slowing approvals and increasing costs to consumers.

At a time when the residential construction industry is finding it difficult enough to build homes that people can afford, it makes little sense for municipalities to impose additional green building standards that only raise the cost of new housing further and add to the problem.

Exorbitant development charges and the willy-nilly imposition of green building standards by individual municipalities is not helping the cause to build homes that people can afford to purchase.

These two issues must be sorted if we are to have any chance of changing our course on housing.

# OUT OF CONTROL

## ONTARIO NEEDS IMMEDIATE REFORMS OF TAXATION AND FEE STRUCTURES

*By Richard Lyall  
for Storeys  
Jan. 14, 2025*

Ontario's housing wounds, in many respects, are self-inflicted. Sales taxes, fees and levies on new residential construction – particularly development charges – are out of control and making the situation worse.

They add to the expense of buying a home and jack up the price tag. We're at the point where working individuals and families can no longer afford to buy a place in the community in which they live.

As a result, many are picking up and moving to other provinces or south of the border.

The tax burden on a newly constructed home in Ontario has jumped to almost 36 per cent of the purchase price, up from 31 per cent just three years ago, according to a report done for the RESCON by

the Canadian Centre for Economic Analysis.

With the average price of a new home in Ontario at roughly \$1,070,000, consumers are now paying \$381,000 in income taxes, corporate, sales and transfer taxes, and development charges and fees. The tax and fee burden on new homes is more than twice that of the rest of the economy.

Escalation of development charges is a main factor. A development charge is a fee that municipalities impose on developers when they build new homes or apartments to cover the cost of infrastructure like roads and water treatment plants.

Developers pay the charges upfront but in the end the fees are tacked onto the price of a new home, only adding to the cost. Development charges make up a big chunk of the total tax and fee burden on new housing.

In the GTA, excluding Toronto, the average tax and fee burden on



a new home is 35.9 per cent, 37 per cent on a large apartment, and 36.9 per cent on a small apartment. In Toronto, the burden is 35.1 per cent on a new home, 34.2 per cent on a large apartment, and 35.3 per cent on a small apartment.

The charges are contributing to the housing crisis and pushing the cost of new housing to stratospheric levels. Developers can not invest in new projects because of the carrying costs.

The federal government made some progress by announcing the five-per-cent GST will be removed on construction of new rental apartment buildings.

Ontario has indicated that it plans to follow suit and remove the eight-



per-cent sales tax on qualifying purpose-built rental housing.

Federal Opposition Leader Pierre Poillievre, meanwhile, has vowed to eliminate the federal sales tax on new homes sold for under \$1 million and Ontario Liberal Leader Bonnie Crombie has pledged that, if elected, she would do away with the provincial land transfer tax for first-time homebuyers. We now need the provincial Conservatives to step up to the plate and do the same.

We must reduce the cost of new housing and enable builders to build homes that people can afford.

In November 2024, a study authored by Canadian economist Mike Moffatt noted that, over the last four years, more than 100,000 more

people have moved out of Ontario to other provinces than have moved into Ontario.

Development charges are a big reason for that as they drive up housing costs.

A 2022 study done by the Canadian Home Builders' Association found that Toronto has the highest development charges amongst cities nationwide at \$85 per square foot.

For perspective, the development charge on a single-family home in Toronto was \$141,139 as of September. That's a 993-per-cent increase from 2010 when the charge would have only run you \$12,910.

Housing starts in Ontario are expected to come in around 81,000 for 2024, below the government's

target of 125,000 and well short of the amount needed to achieve 1.5 million homes by 2031.

To heal remedy the housing situation, senior levels of government must step up and play a larger role in funding public infrastructure at the local level, so these fees can be brought down.

Municipalities simply don't have the revenue streams to fund the infrastructure necessary for new housing so they end up loading the cost onto new homeowners via development charges.

We can not keep adopting Band-aid solutions.

We need immediate reform of the taxation and fee structures that affect new housing.

# THE IMPACT OF TAXES & FEES ON THE CONDO MARKET

*In October, there were 280 cranes active across the region, marking the sixth consecutive month of decline in crane counts.*

*By Richard Lyall  
for On-Site  
Jan. 13, 2025*

**T**here will be fewer residential high-rise condo towers going up in cities like Toronto over the next few years and, as a result, the presence of tower cranes hovering over construction sites will be a rare sight.

In the Greater Toronto and Hamilton Area (GTHA), in particular, where there's been a crane on just about every corner, but they will be scarcer. Condo construction and pre-construction sales have dwindled.

In October, there were 280 cranes active across the region, marking the sixth consecutive month of decline in crane counts – an 11-per-cent drop from July 2024 and a 28-per-cent dip since January 2024.

The decline aligns with the

condo construction slowdown that is expected to continue for some time.

The condo construction market has been in a downturn for some time now, characterized by declining sales, increasing inventory, and financial challenges for buyers and investors. Developers have not been able to build condos that people and families can afford due to high taxes and fees.

Sales in the GTA fell to 12,716 units in 2023, a 41-per-cent decrease from 2022 and the lowest level since 2008. The trend continued in 2024, with the third quarter recording 567 new condo sales – the lowest quarterly total since 1995. Only 2,163 new condominiums were started in the third quarter of 2024, a 13 per cent year-over-year decline and the slowest Q3 period for starts in over a decade. There has been a substantial increase in unsold inventory, and



downward pressure on prices

Even with lower interest rates and more relaxed mortgage rules, the industry is facing tough times. The massive hikes in new housing taxes, fees and levies have stymied the condo market and are to blame.

The tax burden on new homes and condos is out of control. It is significantly raising the price tag of a new home and directly contributing to the housing crisis we are facing by affecting the ability of developers to invest in new housing projects. What's the point of building a home or condo that people can't afford to buy?

A recent report done for RESCON revealed the average tax burden on a newly constructed home in Ontario has jumped to almost 36 per cent of





**The best way to spur the market is by reducing the tax burden. This must be a priority for all levels of government.**

the purchase price, up from 31 per cent just three years ago.

On a home that costs \$1 million, consumers are now paying \$360,000 in income taxes, corporate, sales and transfer taxes, and development charges and fees. The number represents a troubling trend.

The increase has occurred in large part because of the considerable surges in development charges. Municipalities have hiked their development charges to pay for infrastructure. It is something the federal and provincial governments must look into and get more involved in funding.

Much of our economic success depends on robust housing supply so it is critical that we address the tax burden.

Another separate report, prepared for RESCON by a Toronto-based economic research firm led by Will Dunning, paints a further worrying scenario. It forecasts that the residential construction market will continue to weaken and employment in the industry will probably fall quite a lot in the years ahead.

The report covers a forecast period from 2024 to 2028 for the housing market and suggests that the downturn will last well into 2025 and be followed by a slow recovery in activity from 2026 to 2028.

Both reports point to a weakening residential construction market for some time which will undoubtedly weigh heavily on the economy.

There is presently a glut of small, one-bedroom condos on the market

and it will take some time for that inventory to be absorbed. Going forward, developers will have to build bigger family-sized units. However, the need for housing will continue so we need to find a way to make it cheaper to build.

A report authored by Mike Moffatt of the Smart Prosperity Institute noted that Ontario and its municipalities need to enact reforms, from zoning to development charges, to solve the housing crisis.

I concur. The best way to spur the market is by reducing the tax burden. This must be a priority for all levels of government.

We need conditions that allow builders to build homes and condos that are affordable.

It's the only way out of this mess.



# TIME TO BOLDLY GO WHERE NO MAN HAS GONE BEFORE

*By Richard Lyall  
for Canadian Real Estate Wealth  
Jan. 16, 2025*

**A**s we begin 2025, it's time to face up to our dire housing crisis and come up with serious fixes to the problem. Failure to do so will inevitably affect our economic well-being and lead to grim consequences.

Like Captain James T. Kirk declared at the beginning of each Star Trek episode, it is time "to boldly go where no man has gone before."

This year will be pivotal for the new housing market. We are at an inflection point, staring into the abyss.

In Ontario, the goal of building 1.5 million new homes by 2031 now seems but a pipe dream. In 2023, construction was started on only 110,584 new homes in the province. That figure included homes and condos, as well as long-term care beds, and additional residential units. Latest figures show that the sales of both new homes and condos are languishing at historically low levels in the GTA.

The condo market has taken a beating, with declining sales, increasing inventory and financial challenges for buyers and investors. Condo developers in Ontario have not been able to build units that people and families can afford due to high taxes and fees. Fewer cranes are now active in the GTA.

But the pain is not over. We expect that housing starts over the next few years will continue to weaken, exacerbating the already-dire supply shortage. A report prepared for RESCON indicates that the downturn in residential construction will last well into this year and be followed by a slow recovery in activity from 2026 to 2028.

We would need to build 150,000 new homes annually for the next seven years to meet the target. But we're not even close.

Going forward, we know what needs to be done. The cost of building a new home must be reduced by cutting the tax burden on new housing, reducing red tape and adopting digitization of the approvals process.

With both a federal and Ontario election looming, now is the perfect time to hold our senior levels of government to account.

Sadly, we've witnessed massive hikes in new housing taxes, fees and levies. The tax burden now accounts for 36 per cent of the purchase price of an average new home in Ontario – up from 31 per cent three years ago.

The average new home now costs \$1,070,000 in Ontario, so that means consumers are on the hook for \$381,000 in income taxes, corporate, sales and transfer taxes, and development charges and fees. Development charges account for a big chunk of the tax burden and have risen to stratospheric levels.



**There is a way out of every box,  
a solution to every puzzle;  
it's just a matter of finding it.**

In the GTA, the average municipal charge for new homes is now \$164,920 – about \$42,000 higher than three years ago. For apartments, the current figure is \$122,387 – about \$32,000 higher than in 2022.

To reduce development charges, senior levels of government must ensure municipalities have adequate funding for local infrastructure.

Refreshingly, there have been some inroads. The federal Liberals are removing the sales tax on construction of new rental apartment buildings and the Ontario government intends to follow suit.

The federal Conservatives, who are projected to form the next federal government, have promised to cut the sales taxes on all new housing under \$1 million. The Tories estimate the measure will reduce the cost of an \$800,000 home by \$40,000, and spur construction of 30,000 more homes per year.

Meanwhile, the cities of Burlington and Vaughan have taken action and lowered development charges. We need other municipalities to follow suit.

Red tape is also adding to the cost of new housing. Bureaucratic delays add \$2,672 to \$5,576 per month per unit depending on the municipality. When applied to the typical delay period, it can add \$43,000 to \$90,000 per unit.

And, although we live in the digital age, many municipalities still have outdated and antiquated development approvals systems. The systems need to be digitized and standardized across the province.

A survey of private-sector homebuilders by StrategyCorp noted that planning processes and constantly shifting regulations are putting a damper on housing construction although there are tools available at little cost – like a universal planning application – that would streamline the process.

This can not continue. The residential construction industry is critical to the economy, employing 600,000 workers in Ontario alone and contributing \$57 billion to the Ontario GDP. Nationally, the construction industry employs 1.6 million and contributes \$151 billion, or 7.4 per cent to the country's GDP.

We know we can fix this.

We'd be wise to heed the words of Captain Jean-Luc Picard, another notable Star Trek figure, who noted, "There is a way out of every box, a solution to every puzzle; it's just a matter of finding it."



# WE HAVE A NARROW WIND

*By Richard Lyall  
for Daily Commercial News  
Jan. 17, 2025*

**F**amed theoretical physicist Albert Einstein once quipped that, “In the middle of every difficulty lies opportunity.”

Today, the difficulty thrust upon us is a housing supply crisis of prodigious proportions. It is now time to face up to the situation and devise a bold and ambitious plan and turn it into a golden opportunity.

We know what the problem is. We’ve witnessed unprecedented and massive increases in new housing taxes, fees and levies to stratospheric levels.

We still have a sputtering bureaucratic morass of red tape and bureaucracy involving all three levels of government. And, rather than embrace digitization, we still rely on antiquated and primitive methods of approving development proposals.

As we begin 2025, with the possibility of both a federal and Ontario election on the horizon, we should hold the feet of politicians to the fire to ensure they bring in policies that will make housing affordable.

The present outlook does not look good.

The condo market has taken a beating, with declining sales, increasing inventory and financial challenges for buyers and investors. Condo developers in Ontario have

not been able to build units that people and families can afford due to high taxes and fees. Fewer cranes are now active in the GTA.

Housing starts over the next few years are expected to weaken and the already-dire supply shortage could get even worse, according to a recent industry forecast that was prepared for RESCON.

The downturn in residential construction will last well into this year and be followed by a slow recovery in activity from 2026 to 2028. Employment in the industry will also decline during the period.

The ambitious goal of the provincial government to build at least 1.5 million homes by 2031 would now require 150,000 new homes to be built annually. However, we are not anywhere near that figure.

In 2023, the province reported only 110,584 new homes were started. And that figure included homes and condos, as well as long-term care beds, and additional residential units.

Latest figures show that the sales of both new homes and condos are languishing at historically low levels in the GTA.

The reason?

To start with, the tax burden on new homes has jumped to a whopping 36 per cent of the purchase price – up substantially from 31 per cent three years ago, a separate report for RESCON revealed, which makes it



# HOW TO FIX THE PROBLEM

tough for ordinary working individuals and families to be able to afford to buy a home.

The average home now costs \$1,070,000, so consumers are paying \$381,000 in income taxes, corporate, sales and transfer taxes, and development charges and fees.

The tax and fee burden on new homes is more than twice that of the rest of the economy – due mostly to development charges.

To change the narrative, our governments must tackle these supply-killing measures and speed up the development approvals process.

A recent survey of private-sector homebuilders by StrategyCorp noted that frustrating planning processes and constantly shifting regulations are putting a damper on housing construction. Yet, the authors state, “there are many tools governments can employ to streamline approvals processes and leave the industry with clear long-term goal posts which have little, if any, cost attached to them.”

One idea raised is the concept of a universal planning application which would offer applicants a single planning window through which they would be able to submit one or a series of rolling submissions to cover all their necessary approvals, including official plan, zoning bylaw, site plan and others.

The development industry, the survey stated, is

worried about the lack of housing being built and the slow pace of construction and sales, as interest rate cuts will only go so far. It also indicated that a shift is needed from all levels of government to a more collaborative attitude to get housing started.

The tax burden on new housing, in my opinion, is stymieing the market. In the end, fees like development charges are paid by the homebuyer. The excessive charges are causing hardship for new buyers.

Some progress has been made on the tax burden. It appears that the politicians are beginning to listen.

The federal Liberals announced the sales tax will be removed on construction of new rental apartment buildings and the Ontario government intends to follow suit. Meanwhile, the federal Conservatives, who are projected to form the next federal government, have promised to cut the sales taxes on all new housing under \$1 million. The Tories have estimated that the measure will reduce the cost of an \$800,000 home by \$40,000, and spur construction of 30,000 more homes per year.

The cities of Burlington and Vaughan have also made waves by lowering their development charges. To tackle the crisis, this type of leadership must be embraced and expanded on by other municipalities.

We are now at an inflection point. In 2025, we have a window to fix the housing supply problem. It is crucial that we do not squander that opportunity.

# A MAKE-OR-BREAK

***A healthy residential construction industry is essential to economic prosperity.***

*By Richard Lyall  
for The Toronto Sun  
Jan. 10, 2025*

**A**s we begin 2025, the new housing market is at a critical inflection point. This will be a make-or-break year for the residential construction industry.

If we don't address the enduring and unrelenting problems that have stymied the housing market – namely ever-increasing taxes, fees and levies, slow approvals processes and excessive red tape, we will simply slip further into the abyss.

The decrease in interest rates will have a minimal impact because myriad other factors need to be addressed if the market is to recover. Resale housing will be the first to see any benefits of lower interest rates but both it and the new housing market still face significant headwinds. The declining value of the Loonie, for example, will hike the cost of imported goods and put a damper on the economy and homebuying.

Our productivity and real income growth have been hammered in comparison to the U.S. We have never seen a divergence this wide.

A healthy residential construction industry is essential to economic prosperity. The sector accounts for more than \$65 billion of Ontario's GDP. And, directly and indirectly, it creates hundreds of thousands of jobs.

While there is a consensus that 2025 will be a disastrously bleak year for new housing supply, we have seen some snippets of good news

beginning to emerge. The reality of the situation may finally be hitting home with governments. Hopefully, this will force our politicians to act quickly.

For example, the City of Vaughan recently cut its development charges in half. Burlington also lowered its development charges. I am hopeful other municipalities will follow suit as we have the highest tax rate on new homes with the worst record for red

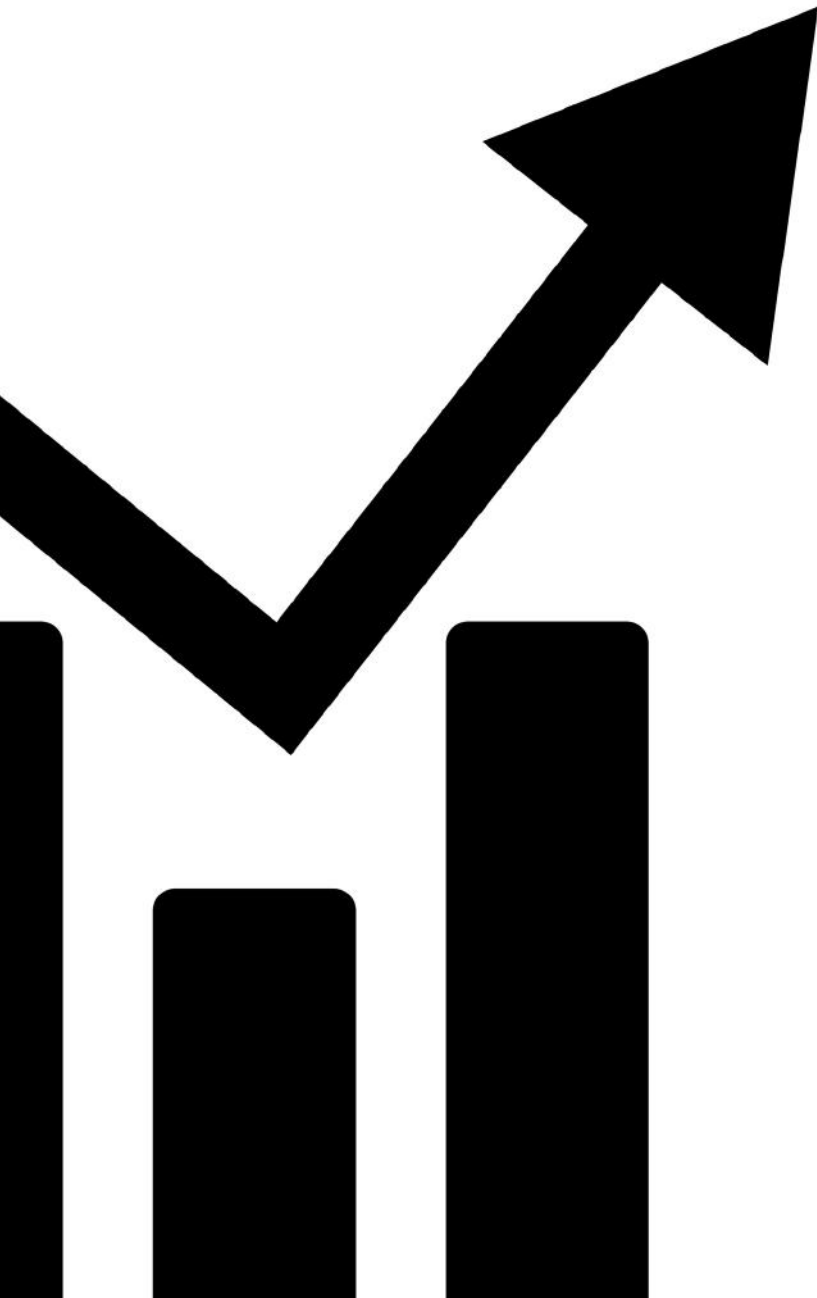
tape in the developed world.

Vaughan's move under Mayor Steven Del Duca demonstrated that contrary to narratives put forward by municipalities for a long time, development charges can actually be reduced by these cities.

Federally, Opposition Leader Pierre Poilievre promised that if the Conservatives are elected they will cut the sales taxes on new homes sold for under \$1 million to restore



# YEAR



**“ The economic and social consequences of continued fiddling and analysis paralysis are mind-boggling.**

consumers are now paying \$360,000 in income taxes, corporate, sales and transfer taxes, and development charges. The surge in development charges is largely responsible for this extreme figure.

With such excessive costs baked into the system, we have no chance of hitting the 1.5-million housing target.

The economic and social consequences of continued fiddling and analysis paralysis are mind-boggling. We remain at the bottom of various international metrics.

The tax burden has pushed the cost of new housing beyond the reach of most working families and prevents investment in new housing projects.

Much of the development charges collected remain in municipal reserve funds. Municipalities held \$10.4 billion in unused development charges as of 2022.

RESCON has been imploring senior levels of government to create a predictable source of financing for infrastructure supporting new housing supply.

Research shows some of our most talented people are leaving the province because of high housing costs. In the last four years alone, roughly 100,000 more people moved out of Ontario to other provinces than moved in from other provinces.

This is an alarming statistic.

To build housing that is more affordable, we must cut costs and reduce the taxes on housing. If we don't take action, the supply shortage will get worse. Nobody wins in that scenario.

affordability to the market. RESCON has long been advocating for this approach.

Provincially, the PCs have passed legislation to reduce red tape and the excessive regulations that are jamming development approvals for residential building.

The Ontario Liberals, meanwhile, have announced a plan to scrap development charges on new homes under 3,000 square feet and cut land

transfer taxes in homes for seniors and first-time homebuyers.

Earlier, the City of Toronto eliminated development charges on select projects which, while encouraging, is too limited.

The reality is simply that average taxes on new housing in Ontario have reached a tipping point at almost 36 per cent of the purchase price. That's up from 31 per cent just three years ago. On a \$1-million home,

# RISING TAX BURDEN ON NEW HOMES IS KILLING THE MARKET

*By Richard Lyall  
for Canadian Real Estate Wealth  
Jan. 3, 2025*

If you're looking to buy a new home in Ontario, the financials are getting tougher – not easier. That's our take on findings in a new report done for RESCON by the Canadian Centre for Economic Analysis.

The average tax burden on the final purchase price of a new home in Ontario has jumped to almost 36 per cent of the purchase price, a substantial increase from the 31-per-cent figure of just three years ago.

On the average price of a new home in Ontario, which is \$1,070,000, consumers would now pay nearly \$381,000 in income taxes, corporate, sales and transfer taxes, and development charges and fees. That's a 16-per-cent increase over 2021 and highlights a troubling trend driven largely by significant increases in development charges.

At a time when taxes and fees should be reduced to encourage more building, we are heading in the opposite direction.

Taxes on new housing are completely out of control. The escalation presents substantial challenges for housing affordability, market stability and economic sustainability across our province.

High fixed fees and development charges squeeze developers' profit margins and therefore their ability to invest in diverse housing projects.

The taxes are pushing the cost of new housing beyond the reach of most working families. The tax burden is raising the price tag of a new home and directly contributing to the housing crisis we are facing.

Research revealed that the tax and fee burden on new homes continues to be more than twice that of the rest of the economy and governments now derive nearly four times more revenue from the sale of a new home than builders, further exacerbating the challenges faced by the residential construction sector.

The situation is due mainly due to recent surges in development charges.

Of the total tax and fee burden on new housing, 70 per cent consists of direct fees on the home, such as



development charges and other fees. The remaining 30 per cent arises from indirect taxes paid during the development process, including income and corporate taxes paid during the ordinary course of a residential construction business.

The tax burden varies by dwelling type and municipality across the province, with rates in some jurisdictions higher than the provincial average.

In the City of Toronto, the average tax and fee burden on a new home is 35.1 per cent, a large apartment is 34.2 per cent, and a small apartment is 35.3 per cent. In the GTA, excluding Toronto, the average burden on a new home is 35.9 per cent, a large apartment is 37 per cent, and a small apartment is 36.9 per cent.

For homes priced at \$450,000, an amount which aligns with what many households could afford based on median pre-tax household incomes, the average tax burden rises sharply





**“ The situation is unsustainable. The huge increases have occurred over the last decade in large part because municipalities have hiked their development charges to pay for municipal infrastructure.**

to 45.2 per cent.

This situation is unsustainable. The huge increases have occurred over the last decade in large part because municipalities have hiked their development charges to pay for municipal infrastructure.

To bring the fees down, the federal and provincial governments must therefore get more involved in funding public infrastructure at local levels to support growth and ease the tax burden.

The senior levels of government retain a disproportionate share of income. This leaves new homes in Ontario subject to taxation by all

three levels of government that is out of whack with the broader economy.

To solve the problem, senior levels of government must take a more active role in funding municipal infrastructure.

The urgency of the problem can not be understated. The state of affairs for the new housing market is grim and the walls are closing in.

In the last quarter, housing starts declined nearly 17 per cent compared to the same period last year. All indicators point to the fact we will not reach the provincial government's goal of building 1.5 million units between 2022 and 2032. We'd need

to build 150,000 units a year during that period but we're not even close. This year, we are on target in Ontario for 81,300 starts, with the situation still weakening.

Equally disturbing, employment in new residential construction is currently at a peak and will probably fall quite a lot in the years ahead, according to another report done for RESCON. The scenario is worrying as many people rely on our industry for employment. The situation will have economic repercussions.

Ontario has consistently ranked in the bottom half of provinces in terms of homebuilding per capita over the last six years, according to a study released by the Smart Prosperity Institute (SPI), a University of Ottawa-based think tank and research network.

Much of our economic success depends on a robust housing supply. We must address the tax burden and change the narrative.

# LEGAL CHALLENGE CAUSES REACTION

*Green standards have been imposed arbitrarily, make Ontario like the Wild West, and cause chaos in the residential construction industry.*

By John Bleasby  
Jan. 8, 2025  
for Daily Commercial News

**T**he decision by RESCON announced in December to file an application in the Ontario Superior Court of Justice challenging the authority of the City of Toronto and its Green Standards is a shot across the bow few industry observers foresaw.

RESCON president Richard Lyall feels there was no alternative except to adopt a highly adversarial position against municipal standards he feels make home construction slower, more complicated and expensive.

It's a strategy that leaves Kelly Alvarez Doran, co-founder of energy efficiency consultancy Ha/f Climate Design, feeling "baffled."

"Maybe green standards make for an easy target," he told the Daily Commercial News. "Yet, they are only one of several things a project needs to go through. I find it very disingenuous."

Others have called RESCON's move "shocking and incredibly short-sighted."

Lyall has been prolific in his comments about green standards and energy efficiency initiatives that step beyond the Ontario Building Code.

"We don't need each municipality cooking their own

system and forcing builders to follow it," he says. "Cities cannot dictate to builders how to build buildings or what materials they use."

Municipal involvement with the National Building Code (NBC) dates back 60 years when an NRC 1964 Technical Paper described the NBC as "an advisory document," adding "the provinces of Canada delegate the authority to their municipalities for the control of building in different ways."

Ontario first introduced its building code (OBC) in 1975, revising it over time. As Ottawa-based Efficiency Canada told the Daily Commercial News, six provinces including Ontario allow municipalities to adopt higher tiers above the province's minimum code.

Efficiency Canada begs to differ with Lyall's claims that continual code and standard changes are resulting in higher costs of construction.

"While early attempts to construct high-performance buildings were associated with marginal construction cost premiums, the BC Step Code has demonstrated that, on average, these premiums are already falling."

Beyond the construction phase, several studies have established that addressing both operational and embodied carbons at a project's outset actually reduces the cost of ownership over time.

Meanwhile, Lyall claims the OBC is "one of the



**We don't need each municipality cooking their own system and forcing builders**

**to follow it.**

greenest in the country,” is “getting greener and greener,” and is among the most stringent building codes in North America.

Major revisions to the OBC came into effect on Jan. 1, although gradually.

For example, from Jan. 1 to March 31, 2025, permit applications may be submitted using the 2012 Building Code, if the applicant demonstrates that working drawings were substantially complete by Dec. 31, 2024. Full compliance with the 2024 OBC begins April 1, 2025.

However, Ontario has failed to relate to energy efficiency under the National Building Code's four-tiered energy format.

As pointed out on Efficiency Canada's 2024 Efficiency Scorecard, “Ontario has no timelines for achieving net-zero energy-ready buildings by 2030 and has not adopted a tiered code that could accelerate the uptake of energy-efficient building practices and enable municipalities to

adopt higher standards for new construction.”

“If Ontario aligned with the tiered code framework, municipalities could adopt higher performance levels under a common system,” Brendan Haley, Efficiency Canada's senior director of policy strategy told the Daily Commercial News.

Lyall also says municipal green standards have been imposed “arbitrarily,” make Ontario “like the Wild West,” and “cause chaos in the residential construction industry.”

Even though the TGS is updated every four years, he says changes have been “subject to the whims of Toronto's city council” and established “faster than the time needed to complete most housing projects, meaning a new benchmark is often instituted in the middle of the construction process.”

Many of Lyall's claims have been disputed by experts like Evan Wiseman of The Atmospheric Fund (TAF), Doran, and others familiar with energy efficiency and the TGS in particular.

By acting within established precedent and establishing its own higher standards of energy efficiency and embodied carbon, Toronto specifically has established itself as one of the most progressive municipalities in North America, Doran said.

Ultimately, the limits of that municipal authority will be determined by the Court.

# SHOW ME THE ENERGY DATA

By Paul De Berardis  
for Better Builder

Advancements in building codes, energy-efficiency programs and municipal green building standards are often underpinned by analyses of various home and building reference models using annual energy-use simulation software.

These types of software calculate annual energy use by utilizing local climatic data and assumed loads for inputs such as domestic hot water usage, appliance and other plug-in loads. While these are great tools to inform decision-making when it comes to advancements in homebuilding practices, there is often very little validation of the annual energy-use simulation software model against real world results once the home or building is constructed and occupied.

This is obviously concerning for industry, especially considering the growing trend as more municipalities are advancing their own green building standards beyond building code requirements without any type of rigorous cost-benefit analysis of their value. However, this is all about to change.

Initially enacted by Ontario Regulation 506/18: Reporting of Energy Consumption and Water Use, annual reporting started in 2019 for buildings over 100,000 square

feet and then expanded in 2023 to include buildings with at least 50,000 square feet of gross floor area. This initiative has now been expanded through municipal regulations, including Toronto's Energy and Water Reporting By-law which requires owners of buildings 50,000 square feet and larger to begin reporting in 2024, and buildings 10,000 square feet and larger to report in 2025.

For now, this will only capture data on large buildings, including multi-unit residential buildings such as apartments and condos, although the plan is to eventually roll this out to include all buildings and even individual homes. The latest mandatory reporting will apply to property owners with buildings 50,000 square feet and larger, that must report their buildings' energy (electricity and natural gas consumption) and water usage by Oct. 31, 2024.

This is a pivotal change that will have the ability to validate or identify discrepancies in anticipated energy savings or greenhouse gas reductions for buildings against their energy models. With Version 1 of the Toronto Green Standard becoming mandatory back in 2010, which has now evolved into the present-day Version 4 iteration that now also includes additional higher tiers of compliance, these reporting requirements will enable builders and regulators to see if the fruits of their





labour have worked to affect real-world improvements.

For example, a pre-2010 building constructed to the requirements of the Ontario Building Code can now be benchmarked against a newer Version 4, Tier 1 Toronto Green Standard building that has been regulated under absolute performance targets of Greenhouse Gas Emissions Limits (GHGI) kg CO<sub>2</sub>e/m<sup>2</sup>/yr as well as Total Energy Use Intensity (TEUI) and Thermal Energy Demand Intensity (TEDI) kWh/m<sup>2</sup>/yr.

The long-term impact of this new regulatory reporting system will be to ascertain if proprietary energy-efficiency programs and municipal green building standards have in fact reduced carbon emissions. It has been reiterated over and over that homes/buildings account for more than half of Toronto's (and Ontario's) greenhouse gas emissions, mostly due to energy and water use. The anticipated and claimed savings of municipal green building standards have never been backed by empirical evidence, until now.

I feel there will be shortfalls in anticipated energy conservation, informed by previous findings such as the 2019 Sidewalk Labs report titled Toronto Multiunit Residential Buildings Study: Energy Use and the Performance Gap. This report looked at a sampling of multi-unit residential buildings built from 1995 to 2017 and looked at energy models as well as metered energy readings, and found that, "there is no clearly identified improvement in the energy efficiency of the MURBs analyzed, since 1998."

Despite what information comes from the mandatory reporting of energy consumption and water use, this will be the first time regulators will have the ability to benefit from actual usage data. This will enable real-world consumption metrics to aid in continuous improvement feedback processes to better inform the development of advancing energy conservation technical requirements. So, moving forward, instead of relying solely on annual energy-use simulation software, we will have the

ability to benchmark and verify the efficacy of advancing construction practices.

With newfound information from monitoring new and existing buildings, the actual operational costs can be vetted against projected modelled savings. This has been a challenge as the limited available data to date have generally demonstrated that computer simulations of large multi-unit residential buildings rarely match actual operating costs.

For 2024, this reporting requirement applies to buildings that are 50,000 square feet or larger which affects approximately 7,500 buildings in Toronto alone. Owners of buildings of this size are already required to report similar data to the Province of Ontario. To simplify the process, building owners will report their data to both the city and the province using the same free Energy Star Portfolio Manager online tool. By reporting energy and water use, building owners can track their buildings' performance over time and compare it with the performance of similar buildings. Benchmarking is the first step towards improving building efficiency.

The city will use the data to compare buildings' performance and design future city programs and policies to improve energy efficiency and reduce GHG emissions. The city will calculate annual GHG emissions for each building using the reported energy and water data. The city's Net Zero Existing Buildings Strategy aims to lower GHG emissions from buildings to net zero by 2040.

The Toronto Green Standard in 2006 was first introduced as a voluntary standard for new development before being mandated in 2010. It's unfortunate the city didn't gather this type of highly useful and practical building data sooner to inform its policy and decision-making over this time. However, better late than never, I guess.

Soon, we will know exactly how well buildings designed under the Toronto Green Standard stack up against their Ontario Building Code counterparts.

# 2024

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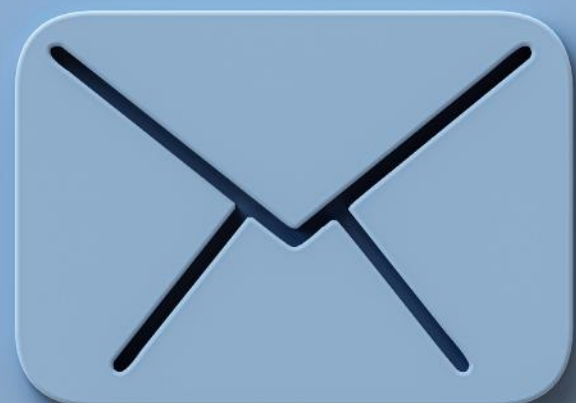


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# MEDIA REPORT

## PODCASTS

### Canadian Contractor

RESCON president Richard Lyall has some ideas on what needs to be done to fix the housing crisis. He joined The Hammer podcast and host Patrick Flannery for some tough talk about the need for big cuts to development fees and taxes; new investment in infrastructure; harmonization of codes and standards; slashing of red tape in the approvals process; the need to fight U.S. tariffs and more.



[Click here](#) to listen to the podcast.

### CBC Radio - Ontario Morning

RESCON president Richard Lyall explained in an interview with CBC Radio Ontario Morning host Nav Nanwa that we have to get more disciplined and efficient on how we process residential construction approvals and lower taxation on new housing.



[Click here](#) to listen to the broadcast.

## PRESS RELEASES

A newly announced Home Renovation Savings Program is part of a broad suite of energy initiatives that will provide continued energy for Ontario homes and businesses, RESCON president Richard Lyall said in a government press release.

[Click here](#) to read the press release.

RESCON supported the decision by Premier Doug Ford to seek a new mandate from voters Feb. 27 as the province must have the strongest and most effective leader in place to deal with a new aggressive U.S. administration, tariffs and persistent housing supply crisis. [Click here](#) to read the press release.

## PRINT & ONLINE

### The Toronto Star

RESCON president Richard Lyall said the association hopes that winning a legal challenge against the City of Toronto will set a precedent that applies to all Ontario municipalities.

[Click here](#) to read the article.

### Plumbing & HVAC

Secure and predictable energy is the foundation upon which Ontario's economic prosperity is supported now, and in the years to come, RESCON president Richard Lyall said in Plumbing & HVAC.

[Click here](#) to read the article.

### Daily Commercial News

RESCON has announced it is supporting the decision by Premier Doug Ford to seek a new mandate from voters Feb. 27.

[Click here](#) to read the article.

### Construction Links

RESCON has expressed strong support for Premier Doug Ford's decision to seek a renewed mandate in the upcoming February 27 vote.

[Click here](#) to read the article.

### Ontario Construction News

Ontario's investment of \$10.9 billion over 12 years in energy efficiency programs highlights the ongoing commitment of Energy and Electrification Minister Stephen Lecce to help Ontarians save on energy, said RESCON president Richard Lyall.

[Click here](#) to read the article.

### Ontario Farmer

RESCON supports the decision by Premier Doug Ford to seek a new mandate from voters Feb. 27 as the province must have the strongest and most effective leader in place to deal with a new aggressive U.S. administration, tariffs and persistent housing supply crisis. [Click here](#) to read the article.

### The Local

RESCON VP Andrew Pariser said in an article that the federal government's announcement of cuts to immigration felt like a knee-jerk reaction that was driven by politics. [Click here](#) to read the article.

# HOUSING TAXES:

## 10 things you need to know.

Development charges and planning application fees,  
by development scenario, by study municipality, 2022 and 2024

### Low-Rise Development

Municipality	2024	2022	Difference in Fees, 2022-2024	
	Total Fee (\$, Unit)	Total Fee (\$, Unit)	Difference	%
BWG*	102,330	77,527	24,803	32
Burlington	114,833	90,596	24,237	27
Innisfil	124,036	103,078	20,958	20
Barrie	130,062	89,057	41,005	46
Milton	135,598	88,856	46,742	53
Caledon	143,493	126,552	16,941	13
Brampton	143,569	126,907	16,662	13
Clarington	144,884	80,315	64,569	80
Oshawa	150,553	84,966	65,586	77
Mississauga	151,197	124,873	26,324	21
Whitby	158,218	95,485	62,733	66
Oakville	166,088	113,635	52,454	46
Richmond Hill	171,215	129,459	41,756	32
Markham	186,553	137,348	49,205	36
Vaughan	194,561	168,375	26,186	16
Toronto	195,832	164,325	31,508	19
<b>Weighted Average</b>	<b>164,920</b>	<b>122,995</b>	<b>41,925</b>	

### High-Rise Development

Municipality	2024	2022	Difference in Fees, 2022-2024	
	Total Fee (\$, Unit)	Total Fee (\$, Unit)	Difference	%
Milton	55,834	54,570	1,263	2
BWG*	59,055	53,845	5,210	10
Burlington	63,950	60,382	3,568	6
Clarington	68,695	58,202	10,492	18
Barrie	71,006	60,464	10,542	17
Innisfil	72,196	70,648	1,548	2
Oshawa	74,820	46,412	28,408	61
Oakville	79,729	74,636	5,093	7
Whitby	82,355	57,683	24,672	43
Brampton	93,164	79,645	13,519	17
Caledon	94,164	87,280	6,884	8
Mississauga	104,450	85,845	18,606	22
Richmond Hill	114,705	101,349	13,356	13
Markham	124,488	103,892	20,595	20
Toronto	134,073	92,894	41,179	44
Vaughan	157,643	121,562	36,081	30
<b>Weighted Average</b>	<b>122,387</b>	<b>90,133</b>	<b>32,254</b>	

Following are 10 things Ontarians need to know about housing taxes.

- High housing taxes are a leading contributor to the housing affordability crisis.
- High housing taxes are growing at an unsustainable rate.
- High housing taxes are substantially greater in Ontario than in the rest of Canada.
- High housing taxes reduce the supply of housing.
- High housing taxes create a tax-on-tax for homebuyers.
- High housing taxes are inflated because of phantom projects and other dubious assumptions.
- High housing taxes have left billions of unspent dollars.
- High housing taxes can be lowered.
- High housing taxes are not inevitable because there are fairer and less expensive ways to pay for infrastructure.
- High housing taxes pay for more than growth.

Some details about each of the ten points:

1. High housing taxes are a leading contributor to the housing affordability crisis. A middle-class family with a child needs, at a minimum, a 2-bedroom home. That family may be only able to afford rents that are under \$1,800 a month or a condo that is under \$250,000. When housing construction

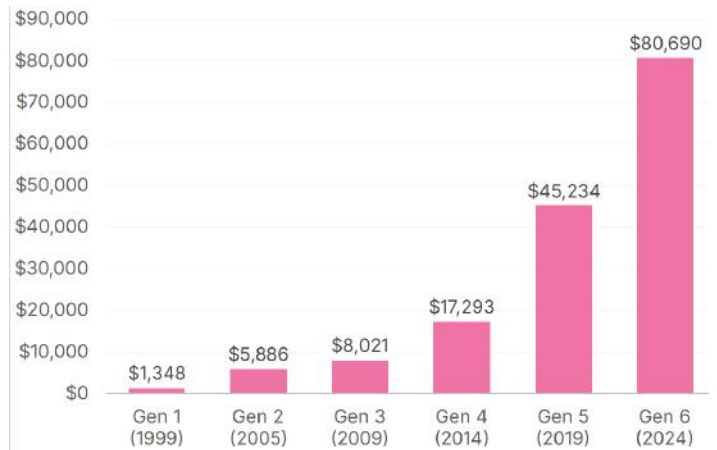
taxes are over \$100,000 a home, it is simply not possible to provide this family with housing they can afford. To be clear, this is not the only cause of the middle-class affordability crisis, as other factors have caused home prices to become disconnected from wages. But there is simply no pathway to middle-class housing affordability without lowering housing taxes.

2. High housing taxes are growing at an unsustainable rate. In many Ontario municipalities, development charges and other housing taxes have grown by over 10% a year for the last 25 years. In the City of Toronto, they have risen by an average of 16.7% a year for the last decade. This unsustainable growth path will lead to the charges on a 2-bedroom apartment being \$4.4 million by 2051, Toronto's current planning
3. **High housing taxes are substantially higher in Ontario than in the rest of Canada.** A study by the Canadian Homebuilders' Association found that, in 2022, housing construction taxes varied substantially across the country. In their low-rise scenario, Toronto, Markham, Brampton, and Oakville had taxes over \$100,000, while Burnaby, Edmonton, Winnipeg, Halifax, St. John's, Moncton, and Charlottetown each had rates under \$30,000.



4. **High taxes reduce the supply of housing.** Some housing projects will always be at the edge of viability. Any large increase in costs, from construction costs to interest charges to taxes, will render them unviable, and they will not be built. In the same way that high congestion charges reduce traffic and high cigarette taxes discourage smoking, high housing construction taxes reduce housing construction.
5. **High housing taxes create a tax-on-tax for homebuyers.** Development charges are paid for by the developer, typically when the builder obtains a building permit. In some cases, payment may be required even earlier than that, such as in the Halton Region. The developer must then finance those charges between when they pay them and when they receive payment from the buyer, adding interest expenses to the project. Those charges and interests are costs that are incorporated into the final price of the home in the same manner as the cost of a sheet of drywall or an hour of an electrician's time. The final buyer then pays GST, PST, and land transfer taxes on top of those development charges and interest costs, creating a tax-on-a-tax.
6. **High housing taxes are inflated because of phantom projects and other dubious assumptions.** Development charge rates are set by a complex methodology based, in part, on a list of projects that the community plans to undertake. However, often that list contains projects with no reasonable prospect of ever being built, phantom projects the infrastructure equivalent of vaporware. Some municipalities have acknowledged this, with Burlington being able to reduce housing taxes by removing phantom projects from their development charge calculation. A number of other assumptions, such as future population growth and the accounting treatment of land under municipal assets, can also lead to inflated development charges, a phenomenon highlighted in the report [The State of Development Charges in Ontario](#).
7. **High housing taxes have left billions of unspent dollars.** As of December 31, 2022, (the most recent date for which data is available), Ontario municipalities collectively had \$10.7 billion in unspent development charge revenue, an increase of \$3.5 billion in just two years. The combination of high rates and phantom projects has created a pool of unspent capital.
8. **High housing taxes can be lowered.** In 2024, both Vaughan and Burlington lowered development charges. Mississauga (as of January 28, 2025) is considering a series of reforms, including cutting development charges by 50% and eliminating them entirely for 3-bedroom apartments. Cities can lower these taxes if they

**City of Toronto development charges on a 2-bedroom Toronto condo by year**



have enough political will, though they will need to prepare for criticism from Mayors and councillors in other cities.

9. **High housing taxes are not inevitable because there are fairer and less expensive ways to pay for infrastructure.** Our province and our communities need massive investments in infrastructure, but there are better, less expensive ways to pay for them. Municipal service corporations for water and wastewater, for example, can save hundreds of millions of dollars a year in financing costs alone while still ensuring that "growth pays for growth" through hook-up fees. Keleher Planning & Economic Consulting estimates this could save homebuyers \$150 a month by lowering the interest costs related to infrastructure.
10. **High housing taxes pay for more than growth.** The merits of "growth should pay for growth" are debatable, but we should understand that housing construction taxes pay for more than housing-related infrastructure. The City of Toronto used one form of housing tax, Community Benefit Charges (also known as Section 37 charges), to pay for renaming Yonge-Dundas Square, and development charges have been used to pay for municipal cemeteries. Regardless of the merits of these projects, they are hardly growth-related infrastructure. But even when these dollars are being spent on housing-related infrastructure, they are often used to subsidize existing homeowners due to how municipalities apply the rules to what is and is not a growth-related expense.

Ontario's high housing taxes have contributed to the middle-class affordability crisis. Fortunately, there are fairer and less expensive ways to pay for infrastructure. We need all levels of government to work together to reform this badly broken system.

*The list was compiled by The Missing Middle Initiative, housed at the University of Ottawa's Institute for the Environment.*

# RCCAO REPORT

- Throughout January, RCCAO took an active role in this year's provincial budget consultations.
  - On Jan. 19, [RCCAO was invited](#) to present its 2024 budget priorities to Minister Peter Bethlenfalvy, and MPPs Logan Kanapthi and Billy Pang.
  - [RCCAO's budget priorities](#) include [ensuring](#) that critical infrastructure projects like Highway 413 and the Bradford Bypass are further advanced; recycled aggregates are more widely used in road projects and the locate delivery system is improved.
- RCCAO executive director Nadia Todorova [penned an op-ed](#) on the importance of building Highway 413 and the need for political overreach to stop and allow this critical infrastructure to be built for the benefit of all Ontarians.
- RCCAO is pleased to see the Government of Ontario consulting on employer requirements and experiences with the Ontario Immigrant Nominee Program. Improving that process is one of the key asks that RCCAO and its industry partners have been focusing on over the last few months.
- On Jan. 17, RCCAO, its members and industry partners were pleased to attend the [Empire Club of Canada event featuring Minister Sean Fraser](#), as he discussed how to address Canada's housing crisis.
- RCCAO remains engaged on the locates file and throughout January had several meetings with senior government officials to discuss upcoming regulatory changes to the locates process in Ontario.
  - In February, RCCAO expects to depute on Bill 153 as the legislation hits the Standing Committee on Justice Policy.
- RCCAO remains active on social media – make sure to follow us to stay on top of infrastructure-related news!
  - [Twitter](#)
  - [LinkedIn](#)



The Mikey Network has launched a safety campaign to promote and call for legislation that ensures every site has a Mikey defibrillator (AED). RESCON fully supports the campaign. To learn more about the campaign visit the Mikey Network website [here](#).